

Special Commentary: Not So Fast: Why the Call to Expand the Reserve Components is Premature

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The effects of the COVID-19 pandemic will have significant implications for the military and the US Army. Some <u>experts</u> have suggested that massive budget cuts are likely and will force the Army to increase the size of the reserve components. After all, the reserve components have performed the majority of the military's work during the pandemic, and have argued for years that they are a low-cost alternative to active forces. However, there are several reasons this should not happen—at least not without a major shift in America's global military presence and a significant revision of our National Security Strategy.

There is no doubt that the Army's reserve components have played an important role in the nation's coronavirus response. Over forty-six thousand National Guard troops have been mobilized across the country, and the Army Reserve mobilized over three thousand soldiers. This was most notable in the Urban Augmentation Medical Task Forces, which deployed to various cities in need of additional manpower. They have provided vital services and a visual reminder of the Army's homeland responsibilities.

The importance of their efforts have led some to suggest that the reserve components will become more important and that resources should be diverted to them or that their numbers should grow. After all, reserve units in reserve status cost less. The National Guard consumes 12 percent of the Army's base budget, and the Army Reserve only a paltry 6 percent, the major savings being the full-time pay, additional benefits, housing, installation, training, and operations and maintenance costs required by their active counterparts.

This argument, however, ignores the larger issues with merely transferring active structure to the reserve components. Altering the force mix of the Army makes dramatic changes in its responsiveness and ability to perform missions across the globe. Such a change could occur in the face of a crisis that forces the nation to reevaluate its global presence and responsibilities, but coronavirus does not present such a black swan event.

The financial issues that have arisen due to the COVID-19 pandemic are significant. The <u>national debt</u>, which stood at \$22 trillion prior to the crisis, is ballooning. The government borrowed an additional \$3 trillion for the coronavirus stimulation package, and it will likely consider more in the coming months—especially if a resurgence of the virus occurs. This does not even consider the reduction of revenues the government is suffering due to business closures and massive unemployment as the nation tries to control the spread of the disease.

There will be pressure after the pandemic passes to pay for its cost by both reducing costs and increasing revenues. The Army, being the largest portion of the government's largest discretionary line item (the Department of Defense), would likely be forced to make the largest concessions.

But despite the eye-popping figures associated with the ballooning debt and an uncertain future, the economic picture is not necessarily that dire. It is true that by the end of the COVID-19 crisis, America's debt-to-GDP ratio will be the highest it has ever been. Eventually, the debt will have to be paid off, but for the moment, low interest rates on borrowing, the global preeminence of the dollar, and the temporary nature of the current borrowing mean an economic crisis is not piling on top of the viral one.

Economists have long worried about the debt-to-GDP ratio reaching a red line where credit becomes downgraded, and the country's ability to borrow declines. However, it is unclear at what ratio that may happen and when it may present economic hardship. The United States has a debt-to-GDP ratio of 104 percent while <u>Japan has the world's highest</u> debt-to-GDP ratio for a major economy at 237 percent (although Japan benefits by 90 percent of that debt being domestically held). Furthermore, the United States is not alone in a ballooning debt ratio after COVID-19. Several <u>other major developed countries</u>, including Canada, France, the United Kingdom, and Belgium are close to US levels of debt without the immense power of the American economy to help drag them out in the future.

So it is not given that a money shortage will cause the United States to drastically change its global presence and national security posture. The nation's forward presence of 177,000 soldiers will continue, and politicians, especially in this election year, will continue to avoid any pressure to change as well. Republicans will avoid breaking their lockstep with the president, and Democrats will avoid giving him an opportunity to cast them as "weak on national security." And while the Department of Defense will likely see its budgets stagnate or decline slightly, it won't be crippling. Even if there is a shift in power in Washington, these political threats remain and will temper any drastic change. This means the missions and global presence required of the Army today will not fundamentally change, regardless of whether or not the Army has to shed a few thousand soldiers to satisfy its balance sheet. This will necessitate the force mix (active v. reserve numbers) to remain at the 50 to 55 percent reserve level where it has been since the fall of the Soviet Union.¹

There are other reasons a major shift to the reserve components is not feasible. The first issue with increasing the reserve components is that <u>capabilities are lost</u>. Yes, reserve units are

designed to deploy and fight as their active counterparts are, but they are not able to deploy quickly or as often. Where an active unit is designed to deploy once every two years, reserve units are designed to deploy every five years. To do so more often would harm recruiting and reserve soldiers' ability to retain full time employment. Acknowledging this disparity, a 2014 RAND study calculated that replacing an active duty unit's capabilities in the reserve components would require 2.7 identical reserve units, eroding most if not all potential cost savings.

Reserve units are also not as responsive. The Army routinely has a <u>rapid deployment force</u>, on a two-hour alert window, and ready to deploy within eighteen hours in the event of an immediate crisis. Reserve component units are incapable of such a feat. Soldiers are dispersed when not on duty, usually within fifty miles of their unit's location, but they are not on call when not wearing a uniform. And because they are limited to a base of thirty-nine training days per year, reserve units must train on collective tasks and be validated after being mobilized and prior to deployment. For smaller units, such as public affairs detachments, this is relatively easy. Larger and more equipment-intensive units such as brigade combat teams require <u>far more</u> time.

So as easy as it may be to propose a shift to reserve component structure to save money, there are serious national security decisions that must be made prior to doing so. America is in the throes of two crises, one from a virus and another with its roots in prejudice and racial injustice. Neither of them presents the conditions that would require fundamental change to the way the country protects itself and its global interests. Despite all the glib prognostications about the future, the Army of tomorrow will look more like today's than many imagine.

ENDNOTES

1. This analysis was done using a number of public and non-public sources, including historic active duty numbers, internal Army Reserve and National Guard manning numbers, and troop levels from various National Defense Authorization Acts.

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